

# STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH  
100 NORTH SENATE AVENUE N1058(B)  
INDIANAPOLIS, IN 46204  
PHONE (317) 232-3777  
FAX (317) 232-8779

## MEMORANDUM

To: Assessing Officials

From: Barry Wood  
Director, Assessment Division

Date: December 2006

Subject: Assessment of Mobile Homes

The Department of Local Government Finance (DLGF) is in the process of promulgating a new rule in regard to the definitions of “annually assessed mobile home” and “real property” mobile homes, as well as incorporating the statutory requirements on the three (3) approaches to value for mobile homes. It is expected that the rule will be published in the Indiana Register in January 2007; however, the definitions in the rule will not be effective until the January 15, 2008 assessment date for mobile homes.

Although the rule will not be effective until January 2008, per the statutory requirements of IC 6-1.1-37 (b)(6) – see below, mobile homes for the **January 15, 2007** assessment date shall be assessed using the lower of the NADA Guide, the purchase price of a mobile home, or comparable sales.

### **IC 6-1.1-31-7**

#### **Assessment of personal property; classification**

Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property;
- (5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
- (6) the true tax value of mobile homes assessed under IC 6-1.1-7 (other than mobile homes subject to the

preferred valuation method under IC 6-1.1-4-39(b)) as the least of the values determined using the following:

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

(i) the sale is of a commercial enterprise nature; and

(ii) the buyer and seller are not related by blood or marriage.

(C) Sales data for generally comparable mobile homes;

(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and

(8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

*(Formerly: Acts 1975, P.L.47, SEC.1.) As amended by Acts 1981, P.L.63, SEC.5; P.L.42-1984, SEC.3; P.L.24-1986, SEC.24; P.L.90-2002, SEC.223; P.L.1-2004, SEC.41 and P.L.23-2004, SEC.44; P.L.214-2005, SEC.15.*

Included with this memorandum is a revised "Annually Assessed Mobile Home Worksheet" reflecting the three approaches to value. Based on the timeframe to complete the assessments, you may want to consider using the NADA Guide as a basis, unless you have market information that reflects the lower of these three approaches to value, or market information presented by taxpayers in an appeal in order to assess mobile homes in a fair and equitable manner.

Please feel free to contact your Assessment Division field representative, myself at (317) 232-3762 ([Bwood@dlgf.in.gov](mailto:Bwood@dlgf.in.gov)), or Lori Harmon (317) 233-6770 ([Lharmon@dlgf.in.gov](mailto:Lharmon@dlgf.in.gov)) with questions or comments.

Attachment: Annually Assessed Mobile Home Worksheet (Revised December 2006)